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SIPDIS

USDOC FOR 532/OEA/LHINES/DFARROW
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR WILLIAM
ZARIT
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A
TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)
SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK: MEDIC PHARM

REF: A) USDOC 05783 B) EXP.LIC. D364367

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO), conducted a pre-license check (PLC) at Medic Pharm Technology (International) Limited (Medic Pharm), Room 1301, Fook Yip Building, 53-57 Kwai Fung Crescent, Kwai Chung, Hong Kong. The purpose of the PLC was to determine the suitability of Medic Pharm to be the recipient of biochemical and clinical diagnostic kits that test for the presence of biological agents. The items (ECCN 1A004) are valued at USD \$2,500 and are controlled for chemical and biological warfare (CB) reasons. The license applicant is Tetracore, Inc., of Rockville, Maryland (Tetracore).

¶3. In fact, Medic Pharm is the procurement agent for the Hong Kong Police Force in this transaction. Prior to visiting Medic Pharm, on November 1, 2006, the ECO visited the procurement department of the Hong Kong Police Force and met with Ms. Angie Woo, Supplies Officer. She confirmed the order for the applicable items. According to Ms. Woo, Medic Pharm supplies various items to the Hong Kong Police Force pursuant to tenders roughly three to four times per year and Ms. Woo considers them to be a reputable and reliable company.

¶4. On November 8, 2006, the ECO visited Medic Pharm at the address above and met with Mr. Fuk Sang Chiu, Managing Director. Medic Pharm's corporate registration documents list Mr. Chiu as one of the directors of the company as well as Ms. Wang Marie Chiu and Ms. Sui Mei Lo. Those documents also list a corporate address that matches with the address where the PLC was conducted. Medic Pharm has been in existence since February 2000. It is a small trading company with a handful of employees.

¶5. Mr. Chiu stated that Medic Pharm is a trading company specializing in items with various medical applications, primarily relatively low-level items such as surgical masks and gloves. Approximately three years ago, Mr. Chiu met representatives of Tetracore at a trade show and developed a business relationship with that company thereafter. Medic Pharm is presently the exclusive distributor of Tetracore in Hong Kong and

Macau. Mr. Chiu stressed that he does not sell Tetracore's products into mainland China and that Tetracore has indicated it will terminate his distributorship agreement if he does so.

¶16. Mr. Chiu stated that he is quite familiar with U.S. export laws and is keen to maintain access to U.S. origin products by complying with U.S. export controls. He further stated that he expects that one or two additional license applications will be forthcoming from Tetracore for Medic Pharm generated orders in Hong Kong and Macau.

¶17. When asked for promotional literature concerning the company, Mr. Chiu provided a Company Profile that makes reference to the Yue Tai Trading Group that comprises both Medic Pharm and Yue Tai Trading Company. According to the profile, Yue Tai was founded in 1987 and serves primarily the mainland China market. Yue Tai's primary customers are the Beijing Ministry of Health Bureau and military hospitals as well as provincial public health bureaus. When asked about the company's business in mainland China, Mr. Chiu indicated that this business has been substantially reduced since 2002 as a result of difficulties in doing business in mainland China and difficulties in obtaining controlled items to sell to the mainland.

¶18. Medic Pharm was very forthcoming during the PLC visit. Mr. Chiu provided information on the underlying transaction and was keen to provide the ECO all necessary information concerning his business and his intent to comply with U.S. export controls. The ECO recommends that this PLC be considered Favorable. Cunningham